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8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**
12

13 In the Matter of the Statement of Reasons for
14 Denial of Application for a Third-Party
Proposition Player Services License for:

15 **DIANA PESAY PLONG**
a.k.a.: Ratana Pesay Hoelscher and
16 Ratana Pesay Plong
17 

18
19 **Respondent.**

BGC Case No. BGC-HQ2018-00047SL

CGCC Case No: CGCC-2018-0726-10Aiv

STATEMENT OF REASONS

20
21 Complainant alleges as follows:

22 **PARTIES**

23 1. Stephanie K. Shimazu (Complainant) brings this Statement of Reasons solely in her
24 official capacity as Director of the California Department of Justice, Bureau of Gambling Control
25 (Bureau).

26 2. On May 22, 2017, the Bureau received an Application for Third-Party Proposition
27 Player Services License for Supervisor, Player or Other Employee, and a Level I Supplemental
28 Information, both dated May 9, 2017 (collectively, Application), from Diana Pesay Plong, also

1 known as: Ratana Pesay Hoelscher and Ratana Pesay Plong (Respondent), to allow for her
2 employment as a third-party proposition player (prop-player) for Blackstone Gaming, LLC
3 (Blackstone), a registered third-party proposition player services provider, registration number
4 TPPP-000119.¹

5 3. Respondent has been employed as a prop-player by Blackstone since January 2017.
6 On or about December 13, 2016, the California Gambling Control Commission (Commission)
7 issued Respondent a registration, number TPPL-018871, as a prop-player for this employment.
8 Respondent's registration currently expires on September 30, 2020.

9 4. Prior to Blackstone, Respondent was employed as a prop-player, as follows:

10 a. From August 2016 to January 2017, she was employed as a prop-player, registration
11 number TPPL-018251, for PT Gaming, LLC;²

12 b. From April 2006 to September 2013, she was employed as a prop-player, registration
13 number and license number TPPL-002901, for Certified Network M., Inc.; and

14 c. From about June 2004 to at least April 2006, she was employed as a prop-player,
15 registration number TPPL-001102, for Certified Players, Inc.³

16 5. On or about May 24, 2018, the Bureau submitted a Third-Party Player Background
17 Investigation Report to the Commission, in which it recommended that Respondent's Application
18 be denied.

19
20
21
22 ¹ Respondent is required to convert her registration to a license and submit an application
23 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and
24 12218, because Blackstone was summoned on April 20, 2017, to submit an application to convert
25 its registration to a license.

26 ² From September 2013 to January 2017, Respondent stated that she was unemployed and
27 receiving disability and unemployment benefits.

28 ³ The records regarding registration number TPPL-001102 are imprecise. It appears the
registration was issued on June 1, 2004 and was cancelled on May 1, 2006, when her employment
with Certified Players, Inc. ended and she then began her employment with Certified Network
M., Inc. However, the Licensing Information System indicates that registration number TPPL-
001102 was active until June 15, 2008, when it expired.

6. At its July 26, 2018, meeting, the Commission referred consideration of Respondent's Application to an evidentiary hearing, which is to be held pursuant to California Code of Regulations, title 4, section 12060.⁴

7. On or about August 10, 2018, Respondent submitted a Notice of Defense, which is dated August 8, 2018.

BURDEN OF PROOF

8. Respondent has the burden of proving her qualifications to receive a license.
(Bus. & Prof. Code, § 19856, subd. (a).)

FIRST CAUSE FOR DENIAL

(Misdemeanor Convictions)

9. Respondent's Application is subject to denial and her registration is subject to revocation or cancellation in that on or about August 23, 2007, Respondent was convicted of violating Vehicle Code section 23152, subdivision (a), driving under the influence with a blood alcohol level of .08 percent or higher,⁵ a misdemeanor, in the case of *People v. Diana Pesay Plong* (Sup. Ct. Los Angeles County, 2007, No. 7LT01062).

(Bus. & Prof. Code, §§ 19856 & 19857 subds. (a) & (b); Cal. Code. Regs., tit. 4, §§ 12200.18, subd. (a), 12205 & 12218.11, subds. (e) [mandatory denial] & (j) [mandatory denial].)

SECOND CAUSE FOR DENIAL

(Failure to Disclose Misdemeanor Conviction)

10. Respondent's Application is subject to denial and her registration subject to revocation or cancellation, in that Respondent, under penalty of perjury, in response to question (2), in Section 4. Criminal History Information, of the Level I Supplemental Information, falsely stated that she had not been convicted of a misdemeanor within 10 years prior to her filing her Application. In fact, as noted in paragraph 9 above and incorporated herein by reference, on or

⁴ The statutes and regulations applicable to this Statement of Reasons are quoted in pertinent part in Appendix A.

⁵ Respondent's blood alcohol level was found to be 0.15 percent.

1 about August 23, 2007, Respondent was convicted of a misdemeanor, which occurred within the
2 10-year period prior to her filing her Application on May 22, 2017.

3 11. As a factor in aggravation, despite having been specifically instructed by the Bureau
4 on March 12, 2011, during the review of her license application to convert her then registration,
5 number TPPL-002901, to a license, that she was required to disclose this conviction in response
6 to question (2), in Section 4. Criminal History Information, of the Level I Supplemental
7 Information; nevertheless, Respondent, under penalty of perjury, chose again not to disclose her
8 conviction in her current Application.

9 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) [mandatory denial] &
10 (b) [mandatory denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), 12205
11 & 12218.11, subds. (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

12 **THIRD CAUSE FOR DENIAL**

13 **(False or Misleading Statements)**

14 12. Respondent's Application is subject to denial and her registration subject to
15 revocation or cancellation, in that Respondent provided false or misleading information to the
16 Bureau regarding her 2007 conviction, which is alleged in paragraph 9 above and incorporated
17 herein by reference. Those false or misleading statements include:

18 a. In statements dated June 24, 2017 and August 4, 2017, Respondent professed that she
19 did not disclose her 2007 conviction because it had been dismissed by the court.⁶ Respondent
20 provided neither a specific date for the alleged dismissal, the grounds upon which it was
21 dismissed, nor documentation from the court demonstrating that it was dismissed. The Bureau
22 confirmed that the Los Angeles County Superior Court had not dismissed Respondent's
23 conviction at the time she provided the written statements and, as of May 24, 2018, it still had not
24 been dismissed.

25
26 ⁶ Even if Respondent's 2007 criminal conviction had been dismissed, question (2), in
27 Section 4. Criminal History Information, of the Level I Supplemental Information, specifically
28 requires the disclosure of misdemeanor convictions within the prior 10-year period, even if the
conviction has been dismissed pursuant to Penal Code section 1203.4.

b. In her August 4, 2017, statement, Respondent stated that she had consumed only one “complimentary drink” before striking a parked vehicle while driving on her way home from a co-worker’s birthday party. Because Respondent’s blood alcohol level was determined to be 0.15 percent, she had to have consumed more than just one alcoholic beverage.

(Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) [mandatory denial] & (b) [mandatory denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), 12205 & 12218.11, subds. (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing the Commission issue a decision:

1. Denying Respondent's Application for a third-party proposition player license;
2. Revoking or cancelling Respondent's registration, number TPPL-018871; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: September 14, 2018

STEPHANIE K. SHIMAZU, Director
Bureau of Gambling Control
California Department of Justice
Complainant

APPENDIX A
JURISDICTION

1. Business and Professions Code section 19811, subdivision (b), provides:

Jurisdiction, including jurisdiction over operation and concentration, and supervision over gambling establishments in this state and over all persons or things having to do with the operation of gambling establishments is vested in the commission.

2. Business and Professions Code, section 19823 provides:

(a) The responsibilities of the commission include, without limitation, all of the following:

(1) Assuring that licenses, approvals, and permits are not issued to, or held by, unqualified or disqualified persons, or by persons are conducted in a manner that is inimical to the public health, safety, or welfare.

(2) Assuring that there is no material involvement, directly or indirectly, with a licensed gambling operation, or the ownership or management thereof, by unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(b) For the purposes of this section, "unqualified person" means a person who is found to be unqualified pursuant to the criteria set forth in Section 19857, and "disqualified person" means a person who is found to be disqualified pursuant to the criteria set forth in Section 19859.

3. Business and Professions Code, section 19824 provides, in part:

The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of this chapter,^[7] including, without limitation, the power to do all of the following:

* * *

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. The commission may

⁷ "Chapter" refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 condition, restrict, discipline, or take action against the license of an
2 individual owner endorsed on the license certificate of the gambling
3 enterprise whether or not the commission takes action against the
4 license of the gambling enterprise.

5 * * *

6 (d) Take actions deemed to be reasonable to ensure that no
7 ineligible, unqualified, disqualified, or unsuitable persons are
8 associated with controlled gambling activities.

9 4. Business and Professions Code, section 19853, subdivision (a), provides, in part:

10 The commission, by regulation or order, may require that the
11 following persons register with the commission, apply for a finding of
12 suitability as defined in subdivision (i) of 19805, or apply for a
13 gambling license:

14 * * *

15 (3) Any person who does business on the premises of a
16 licensed gambling establishment.

17 5. Business and Professions Code, section 19870 provides:

18 (a) The commission, after considering the recommendation of the
19 chief⁸ and any other testimony and written comments as may be
20 presented at the meeting, or as may have been submitted in writing to
21 the commission prior to the meeting, may either deny the application or
22 grant a license to an applicant who it determines to be qualified to hold
23 the license.

24 (b) When the commission grants an application for a license or
25 approval, the commission may limit or place restrictions thereon as it
26 may deem necessary in the public interest, consistent with the policies
27 described in this chapter.

28 (c) When an application is denied, the commission shall prepare
and file a detailed statement of its reasons for the denial.

(d) All proceedings at a meeting of the commission relating to a
license application shall be recorded stenographically or by audio or
video recording.

(e) A decision of the commission denying a license or approval,
or imposing any condition or restriction on the grant of a license or
approval may be reviewed by petition pursuant to Section 1085 of the
Code of Civil Procedure. Section 1094.5 of the Code of Civil
Procedure shall not apply to any judicial proceeding described in the
foregoing sentence, and the court may grant the petition only if the

⁸ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 court finds that the action of the commission was arbitrary and
2 capricious, or that the action exceeded the commission's jurisdiction.

3 6. Business and Professions Code, section 19871 provides:

4 (a) The commission meeting described in Section 19870 shall be
5 conducted in accordance with regulations of the commission and as
6 follows:

7 (1) Oral evidence shall be taken only upon oath or
8 affirmation.

9 (2) Each party shall have all of the following rights:

10 (A) To call and examine witnesses.

11 (B) To introduce exhibits relevant to the issues
12 of the case.

13 (C) To cross-examine opposing witnesses on
14 any matters relevant to the issues, even though the
15 matter was not covered on direct examination.

16 (D) To impeach any witness, regardless of
17 which party first called the witness to testify.

18 (E) To offer rebuttal evidence.

19 (3) If the applicant does not testify in his or her own behalf,
20 he or she may be called and examined as if under cross-
21 examination.

22 (4) The meeting need not be conducted according to
23 technical rules relating to evidence and witnesses. Any relevant
24 evidence may be considered, and is sufficient in itself to support a
25 finding, if it is the sort of evidence on which responsible persons
26 are accustomed to rely in the conduct of serious affairs, regardless
27 of the existence of any common law or statutory rule that might
28 make improper the admission of that evidence over objection in a
civil action.

(b) Nothing in this section confers upon an applicant a right to
discovery of the department's⁹ investigative reports or to require
disclosure of any document or information the disclosure of which is
otherwise prohibited by any other provision of this chapter.

27 ⁹ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
28 (h).)

1 7. Business and Professions Code section 19984, subdivision (b), provides, in part:

2 The commission shall establish reasonable criteria for, and require
3 the licensure and registration of, any person or entity that provides
4 proposition player services to gambling establishments pursuant to this
5 section, including owners, supervisors, and players The
6 commission may impose licensing requirements, disclosures,
7 approvals, conditions, or limitations as it deems necessary to protect
8 the integrity of controlled gambling in this state

9 8. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
10 part:

11 If the Commission elects to hold an evidentiary hearing, the
12 hearing will be conducted as a GCA hearing under Section 12060,
13 unless the Executive Director or the Commission determines the
14 hearing should be conducted as an APA hearing under Section
15 12058

16 9. California Code of Regulations, title 4, section 12060, provides:

17 (a) If the Executive Director determines it is appropriate, he or
18 she may set an application for consideration at a GCA hearing in
19 advance of a meeting pursuant to Section 12054. The Executive
20 Director shall give notice to the applicant, pursuant to paragraph (2)
21 subsection (c) of Section 12052, to the Office of the Attorney General,
22 and to the Bureau no later than 90 calendar days in advance of the
23 GCA hearing. The Executive Director's determination will be based
24 on information contained in the Bureau's report or other appropriate
25 sources including, without limitation, a request from the Bureau or
26 applicant as well as the Commission's operational considerations. The
27 Commission retains the authority to refer the matter to an APA
28 hearing pursuant to subsection (a) of Section 12056 or hear the matter
29 at a Section 12054 meeting if the Commission deems it appropriate.

30 (b) When the Commission has elected to hold a GCA hearing, the
31 Executive Director shall give notice to the applicant, pursuant to
32 paragraph (2) subsection (c) of Section 12052, to the Office of the
33 Attorney General, and to the Bureau no later than 60 calendar days in
34 advance of the GCA hearing.

35 (c) The presiding officer shall have no communication with the
36 Commission or Commission staff upon the merits, or upon
37 information or documents related to the application prior to the
38 evidentiary hearing. The Executive Director shall designate a
39 presiding officer which shall be:

40 (1) A member of the Commission's legal staff; or,

41 (2) An Administrative Law Judge.

1 (d) The applicant or the complainant, or the applicant and the
2 complainant, may request a continuance in writing to the Executive
3 Director stating the reason for the continuance and any proposed
future hearing dates. The Executive Director or Commission may
approve the request.

4 (e) The complainant shall provide to the applicant, at least 45
5 calendar days prior to the GCA hearing, and the applicant shall
6 provide to the complainant, at least 30 calendar days prior to the GCA
hearing, the following items.

7 (1) A list of potential witnesses with the general subject of
the testimony of each witness;

8 (2) Copies of all documentary evidence intended to be
9 introduced at the hearing and not previously provided;

10 (3) Reports or statements of parties and witnesses, if
available; and

11 (4) All other written comments or writings containing
12 relevant evidence.

13 (f) A presiding officer shall rule on the admissibility of evidence
14 and on any objections raised except for objections raised under
subsection (g). A ruling by the presiding officer shall be final.

15 (1) In advance of the GCA hearing, upon a motion of a party
16 or by order of the presiding officer, the presiding officer may
17 conduct a pre-hearing conference, either in person, via
18 teleconference, or by email exchange, subject to the presiding
officer's availability and shall issue a pre-hearing order if
appropriate or requested by either party. The pre-hearing
conference and order may address the following:

19 (A) Evidentiary issues;

20 (B) Witness and exhibit lists;

21 (C) Alterations in the Bureau recommendation;

22 (D) Stipulation for undisputed facts including the
admission of the Bureau's report; and

23 (E) Other issues that may be deemed appropriate to
24 promote the orderly and prompt conduct of the hearing.

25 (2) The GCA hearing need not be conducted according to
26 technical rules of evidence. Any relevant evidence may be
27 considered, and is sufficient in itself to support findings if it is the
28 sort of evidence on which reasonable persons are accustomed to
rely in the conduct of serious affairs, regardless of the existence of
any common law or statutory rule that might make improper the
admission of that evidence over objection in a civil action.

1 (g) The Commission may, at any time upon a showing of
2 prejudice by the objecting party:

3 (1) Prohibit the testimony of any witness or the introduction
4 of any documentary evidence that has not been disclosed pursuant
5 to subsection (e); or

6 (2) Continue any meeting or hearing as necessary to mitigate
7 any prejudice.

8 (h) The complainant shall present all facts and information in the
9 Bureau report, if any, and the results of the Bureau's background
10 investigation, and the basis for any recommendation, if the Bureau
11 filed one with the Commission according to Business and Professions
12 Code section 19868, to enable the Commission to make an informed
13 decision on whether the applicant has met his, her, or its burden of
14 proof. The complainant may but is not required to recommend or seek
15 any particular outcome during the evidentiary hearing, unless it so
16 chooses.

17 (i) The burden of proof is on the applicant at all times to prove
18 his, her, or its qualifications to receive any license or other approval
19 under the Act.

20 (j) The applicant may choose to represent himself, herself, or
21 itself, or may retain an attorney or lay representative.

22 (k) Except as otherwise provided in subsection (g), the
23 complainant and applicant shall have the right to call and examine
24 witnesses under oath; to introduce relevant exhibits and documentary
25 evidence; to cross-examine opposing witnesses on any relevant matter,
26 even if the matter was not covered in direct examination; to impeach
27 any witness, regardless of which party first called the witness to
28 testify; and to offer rebuttal evidence. If the applicant does not testify
on his, her or its own behalf, the applicant may be called and
examined, under oath, as if under cross-examination.

(l) Oral evidence shall be taken upon oath or affirmation, which
may be administered by the Executive Director, a member of the
Commission, or the presiding officer, if an Administrative Law Judge.

(m) At the conclusion of the evidentiary hearing, the members of
the Commission shall take the matter under submission, may discuss
the matter in a closed session meeting, and may schedule future closed
session meetings for deliberation.

10. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

Registrations, licenses, and badges are specific to the primary
owner. Third party proposition player services cannot be provided
without first applying for and obtaining a registration, license, or
badge.

1 11. California Code of Regulations, title 4, section 12205 provides:

2 (a) Any regular registration issued in accordance with this
3 chapter^[10] shall be subject to cancellation pursuant to this section. A
4 registration shall be cancelled if the Commission determines after a
5 noticed hearing that the registrant is ineligible for registration, has
6 failed in the application for registration to reveal any fact material to
7 the holder's qualification for registration, or has supplied information
8 in the registration application that is untrue or misleading as to a
9 material fact pertaining to the criteria for issuance of registration.

7 (b) If the Commission finds that any of the circumstances set
8 forth in subsection (a) apply, then the Executive Director shall
9 immediately do all of the following:

9 (1) Provide written notice to the registrant and the Bureau of
10 the cancellation of the registration and the grounds thereof, and
11 provide written notice of the cancellation to the owner, if the
12 registrant is a supervisor, player, or other employee and to any
13 gambling establishment in which the registrant provides
14 proposition player services.

12 (2) Notify the registrant, if an individual, that he or she is
13 required to surrender the registrant's badge to the Commission not
14 more than ten days following the date that the notice of the
15 cancellation was mailed or such greater time as is authorized by
16 the Executive Director.

16 12. California Code of Regulations, title 4, section 12205.1, provides:

17 (a) As expeditiously as possible in light of available program
18 resources, the Bureau shall summon persons registered as primary
19 owners, owners, supervisors, players, and other employees for the
20 purpose of applying for licenses under this chapter. The registration of
21 any registrant that fails or refuses to submit the applicable Application
22 for Third Party Proposition Player Services License for Business Entities
23 and Owners (BGC-433 (Rev. 10/17)) or Application for Third-Party
24 Proposition Player Services License for Supervisors, Players or Other
25 Employees (BGC-434 (Rev. 10/17)), which are hereby incorporated by
26 reference, including any fees to the Bureau within 30 days of receiving a
27 summons shall expire by operation of law on the following day. Prior to
28 and during review of a request to convert a registration to a license, a
registration shall remain valid and may be renewed by the registrant as
necessary, upon application and approval of renewal of registration as
provided in Section 12203A.

25 (b) Any person who became affiliated with a primary owner
26 following receipt of a summons from the Bureau shall apply for

27 ¹⁰ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1,
28 section 12200 et seq.

1 registration pursuant to this chapter and shall be called forward by the
2 Bureau expeditiously.

3 (c) If the registration expires by operation of law, the former
4 registrant shall submit a new Application for Third Party Proposition
5 Player Services License for Business Entities and Owners (BGC-433) or
6 Application for Third-Party Proposition Player Services License for
Supervisors, Players or Other Employees (BGC-434), which are
referenced in subsection (a), and a new nonrefundable application fee as
specified in paragraph (1), and the applicable additional fee specified in
paragraph (3), (4), or (5) of subsection (d) of Section 12008.

7 13. California Code of Regulations, title 4, section 12218 provides:

8 (a) A request to convert a registration to a license shall be submitted
9 to the Bureau only in response to a written summons to a primary owner
10 pursuant to Section 12205.1. Each primary owner's request shall be
accompanied by the requests of all affiliated owners, supervisors, players,
and other employees.

11 (b) The request to convert a registration to a license shall designate
12 whether the license is requested as a primary owner, owner, supervisor,
13 player, or other employee. The request shall be signed by the individual
requester or, if the requester is a business entity, by the chief executive
officer or other designated officer of the business entity.

14 (c) The request to convert a registration to a license shall include all
15 of the following:

16 (1) A completed Application for Third Party Proposition
17 Player Services License for Business Entities and Owners (BGC-
433) or Application for Third-Party Proposition Player Services
18 License for Supervisors, Players or Other Employees (BGC-434),
referenced in Section 12205.1.

19 (2) If applicable, the Trust Supplemental Background
Investigation Information, BGC-APP-143 (Rev. 05/08), referenced
20 in Section 12342 of this division.

21 (3) The applicable nonrefundable application fee in the
amount specified in subsection (d) of Section 12008.

22 (4) Two 2x2 inch color passport-style photographs of a
23 requester that is an individual taken no more than one year before
submission of the request to the Bureau.

24 (5) The supplemental information package as defined in
25 Section 12200(b).

26 (6) A sum of money that, in the judgment of the Chief of the
Bureau, will be adequate to pay the anticipated investigation and
27 processing costs, in accordance with Business and Professions
Code sections 19867 and 19984(c).

28 (7) A copy of the summons issued by the Bureau.

1 (d) Nothing in this chapter shall require the Commission or Bureau
2 to divulge to the requester any confidential information received from
3 any law enforcement agency or any information received from any
4 person with assurances that the information would be maintained as
5 confidential. Nothing in this chapter shall require the Commission or
6 Bureau to divulge any information that might reveal the identity of any
7 source of information or jeopardize the safety of any person.

8 **SPECIFIC STATUTORY PROVISIONS**

9 14. Business and Professions Code section 19856 provides:

10 (a) Any person who the commission determines is qualified to
11 receive a state license, having due consideration for the proper
12 protection of the health, safety, and general welfare of the residents of
13 the State of California and the declared policy of this state, may be
14 issued a license. The burden of proving his or her qualifications to
15 receive any license is on the applicant.

16 (b) An application to receive a license constitutes a request for a
17 determination of the applicant's general character, integrity, and ability to
18 participate in, engage in, or be associated with, controlled gambling.

19 (c) In reviewing an application for any license, the commission shall
20 consider whether issuance of the license is inimical to public health,
21 safety, or welfare, and whether issuance of the license will undermine
22 public trust that the gambling operations with respect to which the license
23 would be issued are free from criminal and dishonest elements and would
24 be conducted honestly.

25 15. Business and Professions Code, section 19857 provides:

26 No gambling license shall be issued unless, based on all of the
27 information and documents submitted, the commission is satisfied that
28 the applicant is all of the following:

(a) A person of good character, honesty, and integrity.

(b) A person whose prior activities, criminal record, if any,
reputation, habits, and associations do not pose a threat to the public
interest of this state, or to the effective regulation and control of
controlled gambling, or create or enhance the dangers of unsuitable,
unfair, or illegal practices, methods, and activities in the conduct of
controlled gambling, or in the carrying on of the business and financial
arrangements incidental thereto.

(c) A person that is in all other respects qualified to be licensed as
provided in this chapter.

1 16. Business and Professions Code section 19859 provides, in part:

2 The commission shall deny a license to any applicant who is
3 disqualified for any of the following reasons:

4 (a) Failure of the applicant to clearly establish eligibility and
5 qualification in accordance with this chapter.

6 (b) Failure of the applicant to provide information,
7 documentation, and assurances required by this chapter or requested
8 by the chief, or failure of the applicant to reveal any fact material to
9 qualification, or the supplying of information that is untrue or
10 misleading as to a material fact pertaining to the qualification criteria.

11 17. Business and Professions Code section 19866 provides:

12 An applicant for licensing or for any approval or consent required
13 by this chapter, shall make full and true disclosure of all information
14 to the department and the commission as necessary to carry out the
15 policies of this state relating to licensing, registration, and control of
16 gambling.

17 18. California Code of Regulations, title 4, section 12200.18, provides, in part:

18 The Commission may revoke a registration or license, upon any of
19 the following grounds, after a hearing conducted pursuant to the same
20 procedures applicable to the revocation of a gambling establishment
21 license:

22 (a) The registrant or licensee committed, attempted to commit, or
23 conspired to commit any acts prohibited by the Act^[11] or this chapter.

24 (b) Any act or omission by the registrant that would disqualify
25 the registrant from obtaining registration under this chapter. Any act
26 or omission by the licensee that would disqualify the licensee from
27 obtaining licensing under this chapter.

28 * * *

(f) The registrant or licensee concealed or refused to disclose any
material fact in any inquiry by the Bureau or the Commission.

¹¹ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

1 19. California Code of Regulations, title 4, section 12218.11, provides, in part:

2 A requester shall be ineligible for licensing for any of the
3 following causes:

4 * * *

5 (e) The requester has failed to meet the requirements of Business
and Professions Code sections 19856 or 19857.

6 (f) The requester would be ineligible for a state gambling license
7 under any of the criteria set forth in Business and Professions Code
section 19859, subdivisions (b), (e), or (f).

8 * * *

9 (j) The applicant is ineligible based on any other provision of
10 law.